

Message Text

LIMITED OFFICIAL USE

PAGE 01 STATE 165813

13

ORIGIN ARA-20

INFO OCT-01 ISO-00 FEA-02 AGR-20 CEA-02 CIAE-00 COME-00

DODE-00 EB-11 FRB-03 H-03 INR-11 INT-08 L-03 LAB-06

NSAE-00 NSC-07 PA-04 RSC-01 AID-20 CIEP-03 SS-20

STR-08 TAR-02 TRSE-00 USIA-15 PRS-01 SP-03 OMB-01

SWF-02 /177 R

DRAFTED BY ARA/ECP:MDAVILA:MB

APPROVED BY ARA/ECP:WEKNEPPER

ARA-LA/NC:JMAISTO (DRAFT)

EB/GCP:DDUNFORD (DRAFT)

EB/STA:TDEAL (DRAFT)

EB/TRP:PPILKAUSKAS (DRAFT)

EB/FTD:MSMITH (DRAFT)

TREASURY:JJOHNSON (DRAFT)

STR:BSTEINBOCK (DRAFT)

COMMERCE:RRODRIGUEZ (DRAFT)

----- 046458

R 302314Z JUL 74

FM SECSTATE WASHDC

TO AMEMBASSY BOGOTA

LIMITED OFFICIAL USE STATE 165813

E.O. 11652: N/A

TAGS: ETRD, CO

SUBJECT: INVENTORY OF COLOMBIA TRADE PROBLEMS

1. ONE OF THE KEY AREAS OF LATIN AMERICAN CONCERN HAS BEEN THAT OF US-LATIN AMERICAN TRADE ISSUES. THIS WAS HIGHLIGHTED BY THE MEXICO CITY AND WASHINGTON FOREIGN MINISTERS' MEETINGS AND BY AMBASSADOR EBERLE'S TRADE CONSULTATION TRIP TO LATIN AMERICA. AS A FOLLOW-UP TO THE SECRETARY'S INITIATIVES IN THE TRADE FIELD, THE DEPARTMENT IS LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 STATE 165813

IDENTIFYING THE SIGNIFICANT COUNTRY-SPECIFIC TRADE PROBLEMS

OF THE REGION.

2. IN THIS CONNECTION, THE DEPARTMENT HAS PREPARED A PRELIMINARY INVENTORY OF SIGNIFICANT TRADE ISSUES AFFECTING COLOMBIA (SEE PARA. 3). THE ISSUES HAVE BEEN GROUPED UNDER FOUR GENERAL HEADINGS WHICH INCLUDE PROBLEMS THAT COLOMBIA HAS WITH THE US, AS WELL AS PROBLEMS WE HAVE WITH THEM. THE EMBASSY IS REQUESTED TO REVIEW THE LISTING AND SUBMIT ANY ADDITIONS OR COMMENTS PRIOR TO AUGUST 7.

3.A. PRINCIPAL COLOMBIAN TRADE PROBLEMS WITH THE US:

1. ON JULY 23, TREASURY ISSUED A CONDITIONAL NEGATIVE COUNTERVAILING DUTY DETERMINATION CONCERNING CUT-FLOWERS IMPORTED FROM COLOMBIA. THE GOC'S DECISION TO ELIMINATE THE BOUNTY OR GRANT ON CUT-FLOWERS MADE THE NEGATIVE FINDING POSSIBLE. THIS PARTICULAR CASE SHOULD NO LONGER BE A TRADE PROBLEM, BUT OTHER COLOMBIAN EXPORTS WHICH BENEFIT FROM THE SUBSIDY REGIME COULD BECOME THE OBJECT OF COMPLAINTS BY US PRODUCERS, LEADING TO COUNTERVAILING ACTION.

2. ACCESS TO CERTAIN RAW MATERIALS--FERROUS SCRAP.

3. HIGH PRICE OF FOOD IMPORTS FROM US.

4. COLOMBIAN FEAR THAT THE US WILL NEGOTIATE A NEW "REGRESSIVE" BILATERAL AGREEMENT ON TEXTILES UNDER THE MFA AND THUS RESTRICT COLOMBIA'S BOOMING TEXTILE EXPORT TRADE (WHICH HAS TRIPLED IN THE LAST TWO YEARS). COLOMBIAN TEXTILE EXPORTS TO THE US AMOUNTED TO 35 MILLION DOLLARS IN 1973 AND REPRESENT ABOUT SIX PERCENT OF ITS TRADE WITH THE US.

B. PRINCIPAL US TRADE PROBLEMS WITH COLOMBIA:

1. ALLEGED EFFORTS BY COLOMBIA IN CONCERT WITH OTHER PRODUCERS TO MAINTAIN HIGH PRICES FOR COFFEE. (COLOMBIA'S EXPORT EARNINGS FROM COFFEE WERE UP IN 1973 FORTY PERCENT OVER 1972; THE US IS COLOMBIA'S PRINCIPAL EXPORT MARKET LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 STATE 165813

FOR COFFEE--226.5 MILLION DOLLARS OUT OF 290 MILLION DOLLARS IN TOTAL EXPORTS TO THE US IN 1972.)

2. ATTEMPT OF THE UNION OF BANANA EXPORTING COUNTRIES TO RAISE THE PRICE OF BANANAS. (TOTAL VALUE OF EXPORTS IN 1972--L3 MILLION DOLLARS, OR 3.3 PERCENT OF TOTAL EXPORTS.) COLOMBIA HAS RECENTLY ANNOUNCED THE INCREASE IN THE AMOUNT OF FOREIGN EXCHANGE THAT EXPORTERS MUST SUR-

RENDER TO THE CENTRAL BANK OF 40 CENTS/BOX, WHICH WILL HAVE A NET EFFECT OF 25 CENTS/BOX, SINCE EXPORTING COMPANIES WILL BE ABLE TO RETAIN 15 CENTS FOR WORKING CAPITAL.

C. PRINCIPAL COLOMBIAN TRADE PROBLEMS WITH OTHER LATIN AMERICAN COUNTRIES:

1. A PROBLEM THAT COLOMBIA DOES NOT YET HAVE, BUT MAY WELL HAVE IN THE NEXT TWO YEARS, IS THE IMPORTATION OF ENERGY.
2. TECHNICAL PROBLEMS CONNECTED WITH ANDEAN PACT INTEGRATION--TIMING AND ENFORCEMENT ASPECTS AND BUREAUCRATIC INERTIA.
3. RETENTION OF RIGHTS ACQUIRED UNDER THE THOMPSON-URRUTIA TREATY IF AND WHEN PANAMA EXTENDS ITS JURISDICTION OVER THE PANAMA CANAL.

D. PRINCIPAL COLOMBIAN TRADE PROBLEMS WITH NON-HEMISPHERIC COUNTRIES:

1. HIGH PRICE OF FOOD IMPORTS. KISSINGER

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TRADE COMPLAINTS, INVENTORIES, TRADE CONTROLS, NEGOTIATIONS, PRICE TRENDS
Control Number: n/a
Copy: SINGLE
Draft Date: 30 JUL 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: boyleja
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974STATE165813
Document Source: CORE
Document Unique ID: 00
Drafter: MDAVILA:MB
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740207-1029
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t1974075/aaaaadtl.tel
Line Count: 138
Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN ARA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: boyleja
Review Comment: n/a
Review Content Flags:
Review Date: 11 SEP 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <11 SEP 2002 by boyleja>; APPROVED <20 FEB 2003 by boyleja>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: INVENTORY OF COLOMBIA TRADE PROBLEMS
TAGS: ETRD, CO, US, XM
To: BOGOTA
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005